

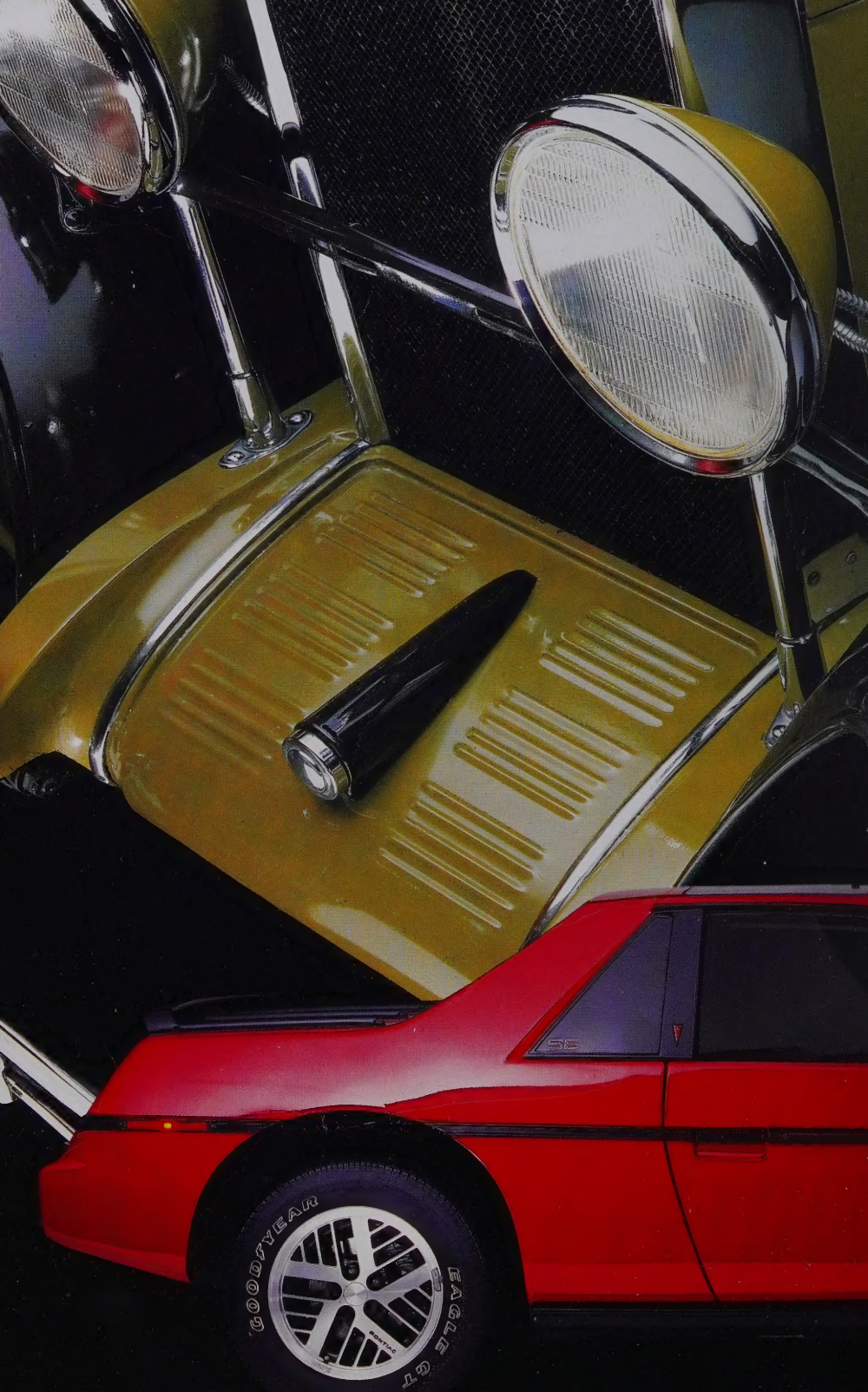
1983 in review

General Motors
of Canada
Limited

AR35

AC





75
anniversary



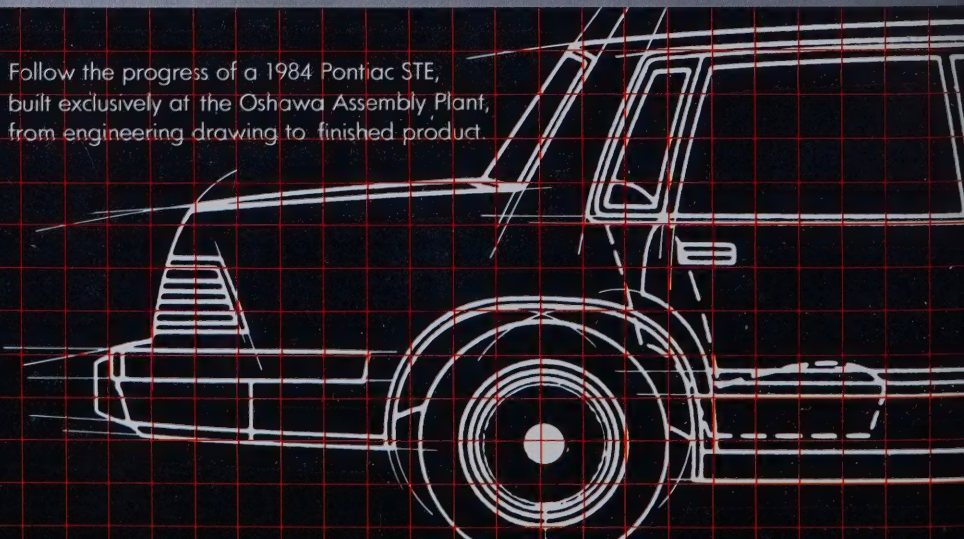
Summary

(Millions of dollars)	1983	1982	1981	1980	1979
Net sales	13,805.4	9,570.5	10,416.1	9,451.3	9,409.8
Net income (loss)	675.6	(71.7)	(10.3)	55.0	246.8
Net income (loss) — percent of sales	4.9%	(0.7%)	(0.1%)	0.6%	2.6%
Income taxes (recoverable)	442.9	(61.4)	(34.9)	14.4	167.6
Other taxes	104.6	78.5	63.2	82.1	75.3
Expenditures for plant and equipment	155.0	201.6	748.4	469.5	177.2
Expenditures for special tools	187.1	122.6	316.2	290.6	141.8
Payrolls	1,269.8	1,006.6	1,097.2	950.3	880.8
On-roll employment	43,410	36,503	43,076	42,598	42,307
Working capital (Deficiency)	326.0	(727.2)	122.8	458.9	341.7

Unit Sales

	1983	1982	1981	1980	1979
Manufactured in Canada					
Passenger Cars	561,091	374,571	478,774	512,385	555,428
Trucks and coaches	276,299	249,589	277,657	256,404	287,357
Total factory sales	837,390	624,160	756,431	768,789	842,785
Imported vehicles	288,174	187,351	266,766	303,131	329,319
Total unit sales	1,125,564	811,511	1,023,197	1,071,920	1,172,104
Unit sales by areas					
Canada	431,342	278,758	474,941	554,343	690,140
United States	640,005	456,167	404,326	421,522	405,487
Other countries	54,217	76,586	143,930	96,055	76,477

Follow the progress of a 1984 Pontiac STE,
built exclusively at the Oshawa Assembly Plant,
from engineering drawing to finished product.



1983 In Review

It is significant that in 1983, the year we celebrated the Corporation's 75th anniversary, General Motors of Canada experienced the long-awaited turnaround for which everyone in the Company had worked so hard.

The Company compiled record earnings of \$676 million on record sales of \$13.8 billion. The previous records were net income of \$247 million in 1979, and sales of \$10.4 billion in 1981. The earnings turnaround was particularly significant since it followed losses of \$72 million and \$10 million in 1982 and 1981 respectively.

The improved economy and higher production volumes contributed to the success in both sales and earnings. Significant, however, is the contribution made by our employees in implementing new technology and programs in our plants which resulted in improved cost and quality levels. Inflation, of course, was reflected in both gross dollars of sales and earnings and made the year seem even better than it was.

During the anniversary year, the Company focussed its efforts on quality and customer satisfaction and our success in these two areas reached unprecedented levels. Massive training was undertaken with an expanded quality curriculum using the latest state-of-the-art techniques.

Statistical process control became a way of life, not only for our own plants but also for many of our Canadian suppliers. Significant commitments to modern technology were made to enhance the quality of our current and future products. Teamwork became a fact, not just a slogan, involving hourly and salaried employees, suppliers, dealers, unions and management. Field

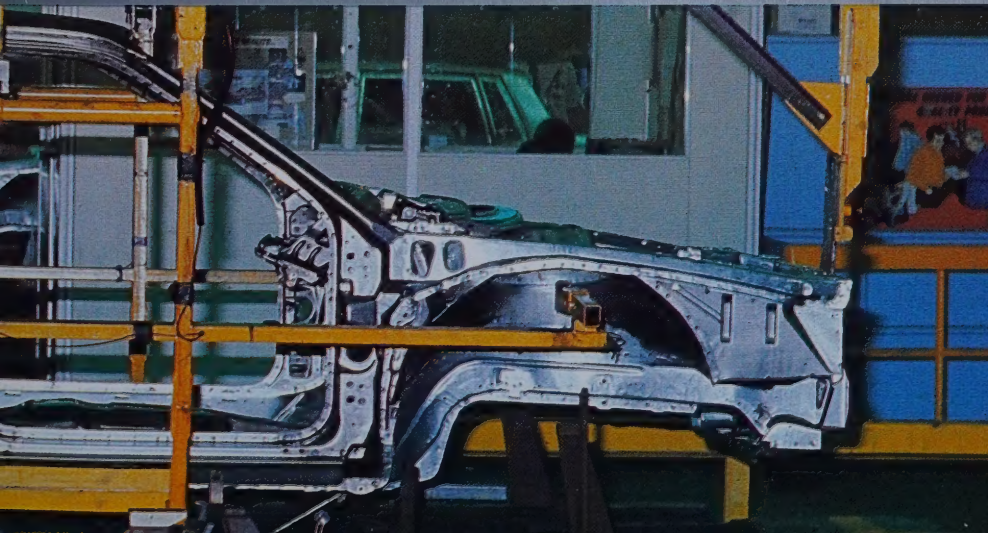


John F. Smith Jr.
President and General Manager

**contribution
by our employees**

**quality and
customer satisfaction**

**Teamwork became
a fact**



investigations regarding causes of customer dissatisfaction were expanded, bringing about more rapid reactions and resolutions.

Throughout 1983, our increased emphasis on quality and customer satisfaction began to show dividends. The quality level as perceived by our customers, was significantly higher for both cars and trucks. We have gained tremendous confidence from these results. We know what has to be done and we intend to continue to be world class competitors in every aspect of the business.

To maintain and improve both the quality and competitiveness of our products, a major modernization program started in 1979, continued in 1983 with expenditures of \$342 million for plant, equipment and tools. Since the start of the program, more than \$2.8 billion has been invested in our Canadian operations. The program is ongoing and we expect further major expenditures will be required to produce the fuel-efficient, high-quality and cost-competitive vehicles demanded by our customers.

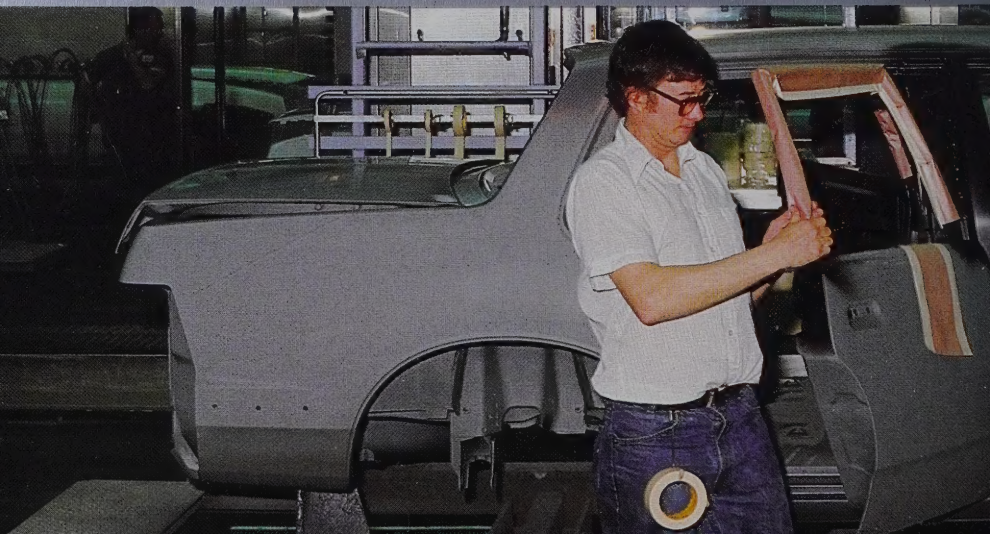
**modernization
program is ongoing**

The Company's continuing profitability is critical to our future ability to continue these modernization programs. The security of our employees and suppliers will depend upon our success in achieving world class quality and cost levels while competing on an international scale.

**world class
quality**

Looking back over the year, inflation declined significantly from an annualized rate of 12 percent in December 1982 to the 4-5 percent range in December 1983. Interest rates also continued their decline, stabilizing in mid-April with a Canadian prime rate of 11 percent. The combined effect of steadily declining inflation and stable interest rates brought about a marked improvement in consumer confidence and the return of many buyers to the

**improvement in
consumer confidence**



market. Although interest rates are still high by historical standards, we believe there is sufficient momentum in the marketplace to carry the current level of sales through 1984.

Industry retail sales reflected the improved economic conditions totalling 1,079,700 units, an increase of 159,800 units, or 17 percent, over 1982. Foreign-sponsored imports accounted for 24 percent of retail deliveries in 1983, down from 27 percent in 1982. In total units, however, foreign-sponsored imports increased from 248,800 to 256,000 units.

Retail deliveries of cars and trucks by General Motors dealers in Canada in 1983 out-performed the market and totalled 413,400 units, an increase of 26 percent over 1982. General Motors vehicles accounted for 38 percent of both new passenger cars and new trucks sold in Canada compared with 1982 penetration of 35 percent for cars and 37 percent for trucks.

The 1984 all-new Corvette, introduced in April 1983, has set a new high standard for looks and performance in the sports car field. As an encore, the Pontiac Fiero was introduced later in the year. The Fiero is the first two-seat, mid-engine, four-cylinder production car built in North America. The design features a space frame chassis, exterior body panels of plastic and incorporates sophisticated state-of-the-art technology.

A product highlight planned for the spring of 1984 is the introduction of the new full-size luxury cars — Cadillac Deville, Oldsmobile 98 and Buick Electra. These striking new cars feature front-wheel-drive with V6 engines for Oldsmobile and Buick and a V8 engine for Cadillac. Externally smaller and lighter than their predecessors, these cars will provide improved fuel economy and maneuverability while retaining the traditional levels of interior luxury and comfort.



**General Motors
out-performed the
market-26% over
1982**

**state-of-the-art
technology**

striking new cars



In the truck field, Chevrolet and GMC re-entered the medium-duty tilt-cab market in early 1984 with the introduction of the Chevrolet Tiltmaster/GMC Forward, featuring a six-cylinder turbocharged diesel engine. With these new products we are certain that we are keeping abreast of today's changing market requirements.

GM of Canada factory sales in 1983 were 1,125,600 units, an increase of 314,000 units, or 39 percent, over 1982 sales of 811,500 units.

**Factory sales 39%
over 1982**

Factory sales of vehicles produced in Canada were 837,400 units comprised of 561,100 passenger cars and 276,300 trucks and coaches, an increase of 213,200 units, or 34 percent, over 1982. Sales of imported vehicles were 288,200 units, an increase of 100,800 units or 54 percent.

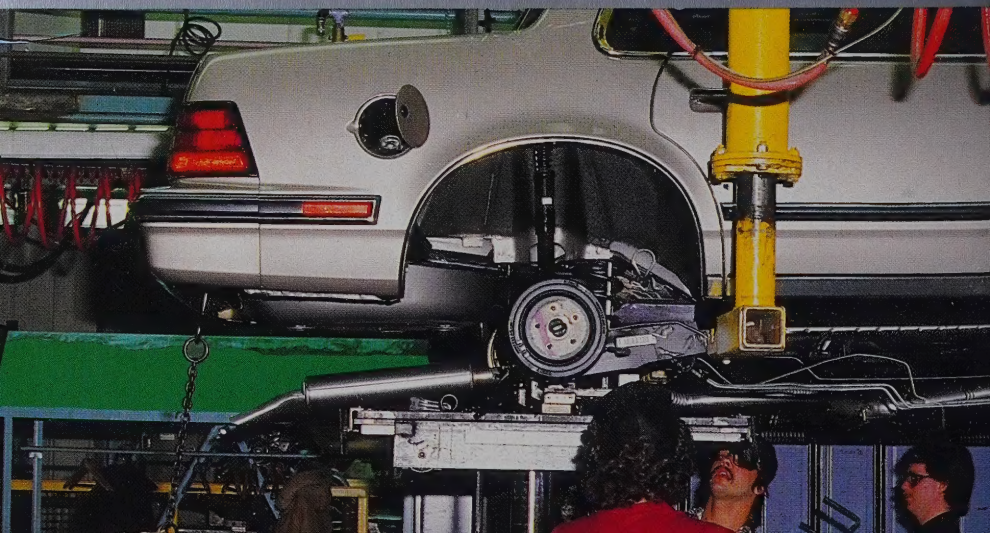
The Canadian market showed the largest percentage increase in 1983 with unit sales by GM of Canada to its dealers of 431,300 versus 278,800 in 1982, an increase of 152,500 units, or 55 percent. Exports to the United States increased by 40 percent from 456,200 units to 640,000, an increase of 183,800 units. Exports to other countries declined from 76,600 units to 54,200 units reflecting the economic uncertainties in many overseas markets.

**Canadian market
up 55%**

In the non-automotive area, GM of Canada's Diesel Division experienced a sales decline in 1983 due to decreased North American volume in locomotives and coaches. The decline was partially offset by additional locomotives ordered by overseas customers.

In 1983 Diesel Division delivered three of seven electric locomotives

**first electric
locomotives**



ordered by the British Columbia Railway. These units are the first electric locomotives in Canada for mainline service.

The first Light Armoured Vehicles for the United States Marine Corps, manufactured at Diesel Division, were also delivered in the latter part of 1983. The total contract for 969 units is scheduled for shipment over the next five years.

One of the most gratifying aspects of 1983 was the callback of almost all employees on layoff and the addition of some 800 jobs in Oshawa and St. Catharines. As a result, the Company closed out the year with an employment level of — 43,400 persons. This is 6,900 more than were on-roll at the end of 1982 and above the previous record high of 43,076 in 1981.

Despite the high level of employment, 750 employees remained on indefinite layoff principally at London, Ontario and St. Eustache and Ste. Therese, Quebec. The majority of these employees have preferential hiring rights at other Company locations, but as yet, have chosen not to exercise them.

In 1983 General Motors of Canada and the United Auto Workers cooperated in "Care and Share" food donation programs to assist the unemployed in Company locations across Canada. Two such programs were conducted, one during the winter months early in 1983 and another just before Christmas. Contributions by employees, supplemented by equivalent matching contributions by the Company, provided a total of 64,285 cans of non-perishable food and \$445,419 for supplemental food purchases to help the needy. The "Care and Share" programs continued the Company's tradition of support for Canadian communities and once again demonstrated the concern and generosity of General Motors of Canada people.

Early in 1984, the Canadian government acted to remove tax



**callback of almost
all employees**

**assist the
unemployed**



inequities which gave importers an advantage over domestic manufacturers, a recommendation of the Federal Task Force on the Canadian Automotive Industry. The government has not, however, acted on the Task Force's other major recommendation which would encourage foreign investment in Canadian plants. GM supports the principle that manufacturers have an obligation to provide jobs, pay taxes, and support the economy of the market in which they sell. No alternative policy can prevail if there is to be fairness and balance among the trading nations of the world.

In conclusion, a key ingredient in making 1983 a successful year was the performance of General Motors of Canada employees in every area of the Company. Without their dedication, the improved productivity and quality levels necessary for the dramatic financial turnaround in 1983 would not have been accomplished. The improved financial position resulting from these efforts as well as increased volume will help promote job security for employees in the years ahead.

**help promote
job security**

General Motors people will remain in the forefront of the quest for top quality and international cost competitiveness. Working together with the union, suppliers and dealers, we will achieve the ultimate goal which determines success — customer satisfaction.

**ultimate goal
customer satisfaction**

This report and the section following feature the events of our 75th anniversary year. Our anniversary theme — "Building on 75 Years of Excellence" — is more than just a slogan. It is a pledge of continuing commitment to provide our customers with the best quality vehicles available anywhere in the world.

**best quality vehicles
available anywhere**

John F. Smith Jr.

John F. Smith Jr.
President and General Manager



Statement of Income and Net Income Retained for Use in the Business

for the years ended December 31, 1983 and 1982
(thousands of dollars)

	1983	1982
Net sales	\$13,805,450	\$9,570,482
Costs and Expenses		
Cost of sales and other operating charges, exclusive of items listed below	12,061,001	8,832,490
Selling, general and administrative expenses	211,382	222,982
Depreciation of plants and equipment	193,365	166,044
Amortization of special tools	185,673	333,649
Total	12,651,421	9,555,165
Operating income	1,154,029	15,317
Other income less income deductions-net	10,899	(2,938)
Interest expense	(46,475)	(145,449)
Income (Loss) Before Income Taxes	1,118,453	(133,070)
Income Taxes (Recoverable)	442,883	(61,384)
Net Income (Loss)	675,570	(71,686)
Net Income Retained for Use in the Business at beginning of the year	730,236	801,922
Net Income Retained for Use in the Business at end of the year	\$ 1,405,806	\$ 730,236

Balance Sheet

December 31, 1983 and 1982

(thousands of dollars)

Assets	1983	1982
Cash and time deposits	\$ 373	\$ 11,357
Accounts and notes receivable	409,444	236,237
Inventories	859,059	769,596
Deferred income taxes and prepaid expenses	94,316	27,378
Total Current Assets	1,363,192	1,044,568
Real estate, plants and equipment	2,572,418	2,429,817
Less accumulated depreciation	1,035,871	853,427
Net real estate, plants and equipment	1,536,547	1,576,390
Special tools less amortization	114,560	113,160
Other assets	13,339	17,683
Total Assets	\$3,027,638	\$2,751,801
Liabilities and Stockholders' Equity		
Bank Indebtedness	\$ 85,915	\$ 59,686
Accounts Payable	353,192	1,256,520
Income and other taxes payable	173,837	24,662
Other accrued liabilities	424,216	430,947
Total Current Liabilities	1,037,160	1,771,815
Deferred income taxes and other liabilities	511,135	60,870
Notes payable to parent company	—	115,343
Stockholders' Equity		
Share capital without par value	70,325	70,325
Contributed surplus	3,212	3,212
Net income retained for use in the business	1,405,806	730,236
Total Stockholders' Equity	1,479,343	803,773
Total Liabilities and Stockholders' Equity	\$3,027,638	\$2,751,801

Statement of Changes in Financial Position

For the Years Ended December 31, 1983 and 1982
(thousands of dollars)

	1983	1982
Source of Funds		
Net Income (Loss)	\$ 675,570	\$ (71,686)
Depreciation of plants & equipment	193,365	166,044
Amortization of special tools	185,673	333,649
Deferred income taxes	368,629	(141,058)
Total funds provided by current operations	1,423,237	286,949
Proceeds from disposal of property	1,475	4,099
Decrease in other working capital items — Net	—	860,693
Other — Net	85,980	—
Total	1,510,692	1,151,741
Use of Funds		
Expenditures for real estate, plants & equipment	154,997	201,554
Expenditures for special tools	187,073	122,551
Retirement of notes payable to parent company	115,343	815,039
Increase in other working capital items — Net	1,064,263	—
Other — Net	—	1,998
Total	1,521,676	1,141,142
(Decrease) Increase in cash and time deposits	(10,984)	10,599
Cash and time deposits at beginning of the year	11,357	758
Cash and time deposits at end of the year	\$ 373	\$ 11,357
Increase (Decrease) in Other Working Capital Items by Element		
Accounts and notes receivable	\$ 173,207	\$ (324,470)
Inventories	89,463	(108,348)
Prepaid expenses	(14,107)	3,996
Deferred income taxes	81,045	(79,178)
Bank indebtedness	(26,229)	241,369
Accounts payable	903,328	(607,837)
Income and other taxes payable	(149,175)	7,862
Other accrued liabilities	6,731	5,913
Increase (Decrease) in other working capital items	\$1,064,263	\$ (860,693)

Audited financial statements with supplementary notes can be obtained from the Secretary.

Schedule of Income Adjusted for Changing Prices

For the year ended December 31, 1983
(millions of dollars)

Inflation has a substantial effect on financial data. The accompanying tabulation shows basic historical cost data, as compared with two generally accepted methods of reflecting the impact of inflation — adjusted for general inflation (constant dollar) and adjusted for changes in specific prices (current cost).

In both of these methods, cost of goods sold and depreciation and amortization expense are adjusted upward since the historical amounts include costs incurred in years prior to 1983. However, sales dollars and other operating expenses are not adjusted since these dollars all occurred in the same year, 1983. The effect of inflation adjustments is to reduce income below the level indicated by historical cost.

As these data indicate, there is a critical need for national monetary and fiscal policies designed to control inflation and to provide adequate capital for future business growth which, in turn, will mean increased productivity and employment.

	As Reported in the Financial Statements (Historical Cost)	Adjusted for General Inflation (1983 Constant Dollar) (A)	Adjusted for Changes in Specific Prices (1983 Current Cost) (B)
Net Sales	\$13,805.4	\$13,805.4	\$13,805.4
Cost of Sales	12,061.0	12,106.7	12,073.5
Depreciation and amortization expense	379.0	440.4	421.8
Other operating and non-operating expenses — net	246.9	246.9	246.9
Provision for income taxes	442.9	442.9	442.9
Total costs and expenses	13,129.8	13,236.9	13,185.1
Net income	675.6	568.5	620.3
Net assets at year end	1,479.3	2,136.1	2,027.2
Net income — as a % of sales	4.9%	4.1%	4.5%
— as a % of stockholders' equity	45.7%	26.6%	30.6%

A. Adjusted to a constant 1983 dollar base using the Consumer Price Index issued by Statistics Canada. B. At December 31, 1983, current cost of inventory was \$859.1 million and current cost of real estate, plants and equipment, net of accumulated depreciation, was \$2,084.3 million. The current cost of property owned and the related depreciation and amortization expense were calculated by applying (1) selected producer price indices to historical book values of machinery and equipment, and (2) the Marshall Valuation Service index to buildings, and the use of assessed values for land.

Project Saturn

Announced in November 1983, Project Saturn is the most ambitious car-building project ever launched by General Motors. It is a development program for a new family of subcompacts the Company will produce in North America to become cost-competitive with the Japanese in the small car field.

**new family of
subcompacts**

Initially conceived as a two-door coupe, four-door sedan and utility sports vehicle line, the Saturn will be smaller than the present family of GM domestic compacts, have comparable interior room, and be lighter than any car currently built by GM.

The most dramatic change, however, will be in the assembly process in which employee assembly teams will build Saturn cars using the modular assembly concept. Portions of the car will be built as stand-alone components and pretested before final assembly. Teamwork and involvement will be increased as GM people will perform a greater variety of operations and be responsible for a total subassembly.

**Teamwork and
involvement**

One of the most promising and revolutionary aspects of Project Saturn is the Joint Study Centre, announced in December by the UAW and General Motors. It will be established on the principle of complete UAW and worker involvement in all aspects of manufacturing and assembly processes.

**complete UAW and
worker involvement**

The Centre is intended to address any issue which has impact on this relationship and to recommend new approaches that will contribute to the production of a quality, competitive product while enhancing the job security of all GM employees.

**enhancing the
job security**



75th Anniversary

Ontario Premier William Davis said it this way on a commemorative plaque presented to the Company:

"A major contributor to the social and economic development and progress of Ontario and Canada through its role in the establishment and growth of our Canadian automotive industry, the 75th Anniversary of General Motors of Canada is an occasion to be celebrated with pride."

And celebrated with pride it was.

It started as a historic salute to the origin of the General Motors Corporation and the part General Motors of Canada has played in it since the merger of the McLaughlin Motor Car Company and the Chevrolet Motor Company of Canada in 1915.

But it quickly changed into a people program.

Employees at all levels of the Company and in all its locations across Canada took over to make it 'their' celebration.

They sang and danced on a Lake Ontario boat cruise, they blew up balloons to be released at the opening ceremonies September 19 in Oshawa, they played lob ball and competed in road races, they arranged teen dances and took part in variety programs, they organized carnivals, and 18,000 of them jammed Canada's Wonderland for GM Family Day — the largest company picnic ever held in Canada.

But all the while they worked diligently at their jobs, turning out quality products in a year that saw the fortunes of the Company turn around from two bad years.

And when thousands of Canadians toured open houses at all of the Company's manufacturing and assembly operations, they were on the job. And they were proud to be part of General Motors of Canada.

"Nothing in our history," said former president and general manager Donald E. Hackworth, "has done more than these 75th anniversary celebrations to foster a feeling of cohesion and teamwork within General Motors of Canada."

And it shows.



a people program

**worked diligently
at their jobs**

**cohesion and
teamwork**



Board of Directors

J.F. Smith Jr.	President and General Manager
R.M. Colcomb	Vice President and General Sales Manager
F.E. Conlin	Former Director of Manufacturing
R.S. Duffy	Secretary and Treasurer
D.T. Frawley	Comptroller
L.J. Krain	Vice President and Finance Manager
J.C. Larmond	Vice President and General Manager — Diesel Division
L.E. Reuss	Vice President and Group Executive, General Motors Corporation
E.H. Walker	Former President and General Manager
A.G. Warner	Vice President and General Manufacturing Manager
W.R. Waugh	President, Financial Executives Institute Canada and Former Vice President and Finance Manager, GM of Canada
R.M. Wilson	Former Director of Purchasing

General Counsel

R.W. McFarlane Q.C.

General Motors of Canada Limited:

Plants

OSHAWA, Ont.

215 William St. E.,
L1G 1K7

SCARBOROUGH, Ont.

1901 Eglinton Ave. E.
M1L 2L8

ST. CATHARINES, Ont.

570 Glendale Ave.
L2R 7B3

BOISBRIAND, P.Q.

Ste. Therese Plant
2500 Grande Allée
J7E 4K6

WINDSOR, Ont.

1550 Kildaire Road
N8Y 4S1

WINDSOR, Ont.

1600 Lauzon Road
N9A 6R9

Diesel Division

LONDON, Ont.

2021 Oxford St. E.
M6A 4N5

ST-EUSTACHE, P.Q.

1000 Boulevard Industriel
J7R 4A5

Truck Centres

MONTREAL, P.Q.

5825 Côte de Liesse
H4T 1C4

TORONTO, Ont.

1650 The Queensway
M8Z 1X1

Zone Offices

CALGARY, Alta.

4220 Blackfoot Trail
T2P 2M7

LONDON, Ont.

951 Pond Mills Road
N6A 4P6

MONCTON, N.B.

653 St. George St.
E1C 8M2

MONTREAL, P.Q.

5000 Route Trans-
Canadienne
Pointe-Claire, P.Q.
H9R 4R2

OTTAWA, Ont.

875 Belfast Road
K1G 0Z4

QUEBEC, P.Q.

979 Ave. De Bourgogne
Ste-Foy, P.Q.
G1W 2L4

REGINA, Sask.

580 Park St.
S4P 3E9

TORONTO, Ont.

1200 Eglinton Ave. E.
Don Mills, Ont.
M3C 1J1

VANCOUVER, B.C.

900 Terminal Ave. E.
V6A 2N6

WINNIPEG, Man.

1345 Redwood Ave.
R2X 0Y9

Parts Distribution Centres

CALGARY, Alta.

4220 Blackfoot Trail
T2P 2M7

EDMONTON, Alta.

6320 99th St.
T6E 4T7

MONCTON, N.B.

653 St. George St.
E1C 8M2

MONTREAL, P.Q.

5000 Route Trans-
Canadienne
Pointe-Claire, P.Q.
H9H 4R2

REGINA, Sask.

580 Park St.
S4P 3E9

VANCOUVER, B.C.

900 Terminal Ave. E.
V6A 2N6

WINNIPEG, Man.

1345 Redwood Ave.
R2X 0Y9

WOODSTOCK, Ont.

1401 Parkinson Rd. E.
N4S 8K8

Cover photo shows the dramatic sweep of the popular 1984 Fiero's front fender. Shown on the inside cover — as a tribute to the Corporation's 75th anniversary — is a Fiero with one of its ancestors in the background.

Un exemplaire en français de ce **rapport 1983** est disponible sur demande par écrit à : Service des relations publiques, General Motors du Canada Limitée, 215 rue William est, Oshawa, Ontario L1G 1K7.



Classic Coach



SD-40-2 Diesel Locomotive



Chevrolet Fleetwood Pickup



Canada

